



## Filing Receipt

**Received - 2022-02-28 01:38:41 PM**  
**Control Number - 48697**  
**ItemNumber - 77**

**SOAH DOCKET NO. 473-20-1117.WS  
PUC DOCKET NO. 48697**

<b>APPLICATION OF ANDERSON WATER COMPANY, INC. FOR AUTHORITY TO CHANGE RATES</b>	<b>§ § §</b>	<b>BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS</b>
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**JOINT RESPONSE TO COMMISSION COUNSEL MEMORANDUM**

On September 18, 2018, Anderson Water Company, Inc. (Anderson) filed an application for a rate change pursuant to Tex. Water Code (TWC) § 13.1871.

On February 14, 2022, the Office of Policy and Docket Management (OPDM) filed a memo establishing a deadline of February 28, 2022, for the Staff (Staff) of the Public Utility Commission of Texas (Commission) and Anderson to file a clarification on specific issues identified in a memorandum filed December 9, 2021. Staff together with Anderson now timely files this response.

**I. JOINT RESPONSE**

***Notice of the Interim Rate Changes***

In the memorandum dated December 9, 2021, the Commission counsel noted that the proposed order filed on July 15, 2021, does not address whether Anderson provided sufficient notice of the interim rates that went into effect in May 2019, or the interim rates approved on September 29, 2020, and May 5, 2021.

Staff and Anderson (collectively, the Parties) were asked to identify the location in the evidentiary record of the proof of notice in compliance with 16 TAC § 24.37(j) for the notice required to all customers affected by the interim rates. If evidence in the record is currently deficient, the Parties were directed to seek the admission of additional evidence. If full compliance with 16 TAC § 24.37(j) is impossible, the Parties were directed to file a good cause exception request.

Staff has reviewed the record and has determined that proof of notice in compliance with 16 TAC § 24.37(j) is currently absent from the evidentiary record. Anderson has prepared an attachment containing a copy of a letter sent to customers on March 15, 2019, discussing the rates changes they implemented in May 2019, along with sample copies of bills and text from its website to show when interim rates were implemented on September 29, 2020, and May 5, 2021. The Parties respectfully request that the attached documents be admitted into the evidentiary

record as supplemental evidence to show the notices provided to customers. To the extent that the language in the documents do not comply with the language specified in 16 TAC § 24.37(j), Anderson respectfully requests a good cause exception.

***Proposed Tap Fees and Other Miscellaneous Fees***

In the memorandum dated December 9, 2021, the Commission counsel noted that proposed finding of fact 49 stated that "[t]he signatories agreed that Anderson Water is authorized the charge the rates and miscellaneous fees shown in exhibit B to the agreement to be effective for usage on and after the date of this Order." The memo also noted that one of the miscellaneous fees agreed to by the parties is a \$1,200 tap fee. Anderson Water's current tap fee is \$300. OPDM requested that the parties review the tap fee and other miscellaneous fees included in the agreed tariff referenced in the parties' proposed order and either identify the record evidence that adequately explains and supports any changes in fees or new fees or seek the admission of additional evidence that does so. OPDM further requested that the parties identify evidence currently in the record or seek the admission of additional evidence that demonstrates that fees do not recover costs already recovered elsewhere in the rates sought to be approved.

Anderson has provided the following information regarding a breakdown of the cost of material and labor for tap fees:

Anderson Water Company: 3/4" Meter Tap Fee Breakdown

\$600 Materials (Meter, Valves, Valve Box, Pipe, Fittings)

\$600 Labor

200 ft line included to set tap to customers preference on property

Anderson has indicated that this is the information that is provided to customers who request taps. Anderson respectfully requests that this supplemental information be admitted into the record as evidence to support the \$1,200 tap fee contained in exhibit B to the proposed order.

***Proposed Reconnection Fee for Non-payment***

In the memorandum dated December 9, 2021, the Commission counsel noted that proposed finding of fact 49 stated that "[t]he signatories agreed that Anderson Water is authorized the charge the rates and miscellaneous fees shown in exhibit B to the agreement to be effective for usage on and after the date of this Order." The memo also noted that one of the miscellaneous fees agreed to by the parties is a reconnection fee for non-payment. As noted by

OPDM, it is not clear from the language of exhibit B, the Parties' proposed tariff, whether the reconnection fee for non-payment is \$25, \$50, or some other amount. The memorandum dated December 9, 2021, requested that the Parties clarify the amount of the proposed reconnection fee for non-payment.

The Parties wish to clarify that the proposed reconnection fee for non-payment should be set at \$50. The information stating that the reconnection fee for non-payment of bill may be found on bates page 25 of the Parties' July 15, 2021, Settlement and Stipulation Agreement. The Parties note that the portion of that page which states "(maximum \$25)" is in error and was erroneously copied from Anderson's prior tariff. The Parties respectfully request that this clarification be admitted in the record as supplemental evidence.

***Cash Working Capital***

On December 9, 2021, OPDM filed a memo requesting the parties to this docket file additional evidence to support cash working capital. After further consideration, on February 7, 2022, OPDM determined that additional evidence supporting cash working capital is unnecessary in this docket. Accordingly, the Parties do not provide any additional evidence regarding the cash working capital amount.

***Amounts Collected During the Effective Date Suspension Period***

In the memorandum dated December 9, 2021, the Commission counsel noted that it is not clear how long unauthorized interim rates were in effect after Anderson began charging the rates proposed in its application in May 2019, or whether Anderson water provided sufficient notice of the interim rates to its customers. Under 16 TAC § 24.37(h), Anderson Water must refund or credit against future bills all sums collected in excess of the rates approved by the Commission.

Anderson has prepared an attachment containing a copy of a letter sent to customers on March 15, 2019, discussing the rates changes they implemented in May 2019, sample copies of bills and text from its website to show when interim rates were implemented on September 29, 2020, and May 5, 2021. The Parties respectfully request that these bills be admitted as supplemental evidence of the time period within which Anderson Water charged interim rates, and to show the dates upon which rates changed.

**II. CONCLUSION**

The Parties respectfully request that the foregoing information be taken into consideration.

Date: February 28, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Sneha Patel  
Managing Attorney

/s/ John Harrison  
John Harrison  
State Bar No. 24097806  
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**SOAH DOCKET NO. 473-20-1117.WS  
PUC DOCKET NO. 48697**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on February 28, 2022, in accordance with the Order Suspending Rules, filed in Project No. 50664.

/s/ John Harrison  
John Harrison



Anderson Water Company, Inc.  
P.O. Box 447  
Anderson, TX 77830  
Ph: 936-873-2941  
[www.andersonwaterco.com](http://www.andersonwaterco.com)

## Notice of Water Rate Increase

March 15, 2019

**To: All Customers on Anderson, Richards, Roans Prairie, and Shiro Public Water Systems**

Dear Customer:

We sent out prior notices of our company rate increase last October 2018 to be effective November 28, 2018. The PUC did not grant the full approval at that time for the increase and for more documents to be provided.

As of March 8, 2019, we finally received the stamped approval for the increase to be effective April 26, 2019. This change will show reflective in your bill starting May 2019. We just wanted you to be aware of the changes. Please see attached a list of the current and proposed rates and below for a billing comparison.

### BILLING COMPARISON

#### WATER

Existing	5,000 gallons:	\$ 30.00/mo	Proposed	5,000 gallons:	\$41.25/mo
Existing	10,000 gallons:	\$45.00/mo	Proposed	10,000 gallons:	\$63.75/mo
Existing	30,000 gallons:	\$105.00/mo	Proposed	30,000 gallons:	\$161.25/mo

If you have any further questions, please contact our office at 936-873-2941 or you can find helpful information on our Web site: [www.andersonwaterco.com](http://www.andersonwaterco.com).

As our customer, you are our most valuable asset. Thank you for your business. Your continued confidence in the safety and high quality of our utility services along with our role in protecting the environment remain our primary goals in serving you.

Sincerely,

Anderson Water Company

## NOTICE OF PROPOSED RATE CHANGE -WATER

CURRENT RATES			PROPOSED RATES		
Monthly base rate including _____ 3000 gallons			Monthly base rate including _____ 2500 gallons		
Meter Size:			Meter Size:		
<b>RESIDENTIAL</b>			<b>RESIDENTIAL</b>		
5/8" or 3/4"	\$	24.00	5/8" or 3/4"	\$	30.00
1"	\$	34.00	1"	\$	40.00
1 1/2"	\$	59.00	1 1/2"	\$	70.00
2"	\$	89.00	2"	\$	100.00
3"	\$	159.00	3"	\$	175.00
Other: 4"	\$	259.00	Other: 4"	\$	275.00
<b>GALLONAGE CHARGE:</b>			<b>GALLONAGE CHARGE:</b>		
TIER	VOLUME	CHARGE per 1000 gals.	TIER	VOLUME	CHARGE per 1000 gals.
Tier 1	3001 to unlimit gals.	\$ 3.00 /1000 gals.	Tier 1	2501 to 10000 gals.	\$ 4.50 /1000 gals.
Tier 2	0 to _____ gals.	\$ _____ /1000 gals.	Tier 2	10001 to 20000 gals.	\$ 4.75 /1000 gals.
Tier 3	0 to _____ gals.	\$ _____ /1000 gals.	Tier 3	20001 to 50000 gals.	\$ 5.00 /1000 gals.
Tier 4	0 to _____ gals.	\$ _____ /1000 gals.	Tier 4	50001 to 100000 gals.	\$ 5.25 /1000 gals.
Tier 5	0 to _____ gals.	\$ _____ /1000 gals.	Tier 5	100001 to 200000 gals.	\$ 5.50 /1000 gals.
<b>MISCELLANEOUS FEES</b>			<b>MISCELLANEOUS FEES</b>		
Tap Fee	\$	300.00	Tap Fee	\$	1200.00
Reconnect fee: Non-payment	\$	25.00	Reconnect fee: Non-payment (Maximum - \$25.00)	\$	50.00
Customer's Request	\$	25.00	Customer's Request	\$	25.00
Transfer Fee	\$	10.00	Transfer Fee	\$	10.00
Late Charge	\$	2.00	Late charge: (Indicate either \$5.00 or 10%)	\$	5.00
Returned Check Charge	\$	35.00	Returned Check Charge	\$	35.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee (Maximum - \$25.00)	\$	25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges. Additional fees and meter sizes may be shown on a separate page.

If applicable, list any bill payment assistance programs to low income Ratepayers.

# Notices Posted online for customers of Anderson Water Company

[www.andersonwaterco.com](http://www.andersonwaterco.com)

Posted on website: News/Notices 10/6/2020

## Rate Increase Update September 2020

On September 29th, 2020, The Texas Public Utility Commission and Anderson Water Company, Inc. filed a joint motion for original rates to take back in effect pursuant to code until we reach a final agreement. This motion will benefit both our ratepayers and Anderson by resolving the ongoing confusion regarding the rates currently in effect. The parties agree in the motion that the interim rate should not be subject to refund or surcharge once the Commission approves a final rate in this proceeding. Because this a joint motion, and thus agreed, the Administrative Law Judge (ALJ) find that the motion has merit. Accordingly, the interim rates set out below are hereby ADOPTED, effective immediately, and shall not be subject to refund or surcharge once the Commission issues a final order in this proceeding: Please find the attached interim rate schedule as follows on or rates and policies page. If you have any questions regarding this matter, you can send us an email with your concerns or by calling our office during business hours.

## Rate Increase Update 2021 \*\*Posted on Website: News/Notices 05/06/2021

On May 5th, 2021, an administrative law judge with The Texas Public Utility Commission signed off on an agreement for a Joint Motion change of rates for Anderson Water Company Inc., these rates will be effective starting the next billing cycle after May 2021 usage. Our new updated rates are posted under our Service, Rates, & Policies page. If you have any questions regarding this matter, you can send us an email with your concerns or by calling our office during business hours.





SEND PAYMENT TO:  
**ANDERSON WATER COMPANY, INC.**  
P.O. BOX 447  
ANDERSON, TEXAS 77830  
(936) 873-2941

TYPE OF SERVICE	METER READING		USED	FIRST-CLASS CHARGES
	PRESENT	PREVIOUS		
Water	1391300	1391300	0	24.00
BGCD - District Fee				1.00
Regulatory Fee				0.24

*Pd. 6/20/21*

1282 Becker Lane  
**DUE UPON RECEIPT! AVOID LATE CHARGE PAY BY 20TH!**

Service From 4/29/2021 TO 5/26/2021 ACCOUNT 508 5/28/21

METER READ		CLASS	NET AMOUNT TO BE PAID	PAY EARLY SAVE THIS!	GROSS AMOUNT TO BE PAID
MONTH	DAY				
5	26	1	25.24	0.00	25.24

Your last payment, received on 5/20/21, was Check # 2571 for the amount of \$25.24.

**MAKE PAYMENTS AND VISIT OUR WEBSITE ABOUT RATE  
CHANGE UPDATES POSTED UNDER NEWS & NOTICES SECTION  
\*\*\*NEW RATES WILL BE IN EFFECT 5/28/2021\*\*\***

**WWW.ANDERSONWATERCO.COM**



SEND PAYMENT TO:  
**ANDERSON WATER COMPANY, INC.**  
P.O. BOX 447  
ANDERSON, TEXAS 77830  
(936) 873-2941

TYPE OF SERVICE	METER READING		USED	FIRST-CLASS CHARGES
	PRESENT	PREVIOUS		
Water	1391300	1391300	0	25.00
BGCD - District Fee				1.00
Regulatory Fee				0.25
Rate Case Surcharge				2.60

*Pd.  
7-15-21*

1282 Becker Lane  
**DUE UPON RECEIPT! AVOID LATE CHARGE PAY BY 20TH!**

Service From 5/26/2021 TO 6/28/2021 ACCOUNT 508 6/30/21

METER READ		CLASS	NET AMOUNT TO BE PAID	PAY EARLY SAVE THIS!	GROSS AMOUNT TO BE PAID
MONTH	DAY				
6	28	1	28.85	0.00	28.85

Your last payment, received on 6/21/21, was Check # 2581 for the amount of \$25.24.

**MAKE PAYMENTS AND VISIT OUR WEBSITE ABOUT RATE  
CHANGE UPDATES POSTED UNDER NEWS & NOTICES SECTION  
CCR REPORTS ON WEBSITE AS OF 07/01/2021**

**WWW.ANDERSONWATERCO.COM**



SEND PAYMENT TO:  
**ANDERSON WATER COMPANY, INC.**  
P.O. BOX 447 NORTH HOUSTON TX 77060  
ANDERSON, TEXAS 77830  
(936) 873-2941

28 OCT 2020 PM 7:11

TYPE OF SERVICE	METER READING		USED	CHARGES
	PRESENT	PREVIOUS		
Water	1355700	1346100	9,600	43.80
BGCD - District Fee				1.00
Regulatory Fee				0.44

*Pd.*  
*Ck # 2539*

1282 Becker Lane

**DUE UPON RECEIPT! AVOID LATE CHARGE PAY BY 20TH!**

Service From 9/24/2020 TO 10/28/2020 ACCOUNT 508 10/28/20

METER READ		CLASS	NET AMOUNT TO BE PAID	PAY EARLY SAVE THIS!	GROSS AMOUNT TO BE PAID
MONTH	DAY				
10	28	1	45.24	0.00	45.24

Your last payment, received on 10/20/20, was Check # 2535 for the amount of \$64.48.

**MAKE PAYMENTS AND VISIT OUR WEBSITE ABOUT RATE CHANGES.**  
**THIS WILL BE POSTED UNDER NEWS & NOTICES SECTION**  
**WWW.ANDERSONWATERCO.COM**



SEND PAYMENT TO:  
**ANDERSON WATER COMPANY, INC.**  
P.O. BOX 447 NORTH HOUSTON TX 77060  
ANDERSON, TEXAS 77830  
(936) 873-2941

NORTH HOUSTON TX 77060

30 NOV 2020 PM 2:11  
30 NOV 2020 PM 2:11

TYPE OF SERVICE	METER READING		USED	CHARGES
	PRESENT	PREVIOUS		
Water	1363200	1355700	7,500	37.50
BGCD - District Fee				1.00
Regulatory Fee				0.38

*Pd. 12-17-2020*  
*Ck # 2542*

1282 Becker Lane

**DUE UPON RECEIPT! AVOID LATE CHARGE PAY BY 20TH!**

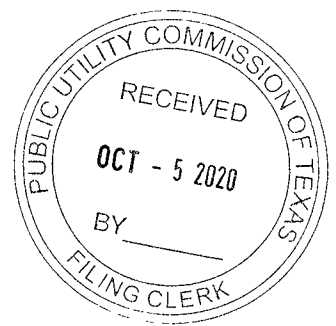
Service From 10/28/2020 TO 11/23/2020 ACCOUNT 508 11/24/20

METER READ		CLASS	NET AMOUNT TO BE PAID	PAY EARLY SAVE THIS!	GROSS AMOUNT TO BE PAID
MONTH	DAY				
11	23	1	38.88	0.00	38.88

Your last payment, received on 11/19/20, was Check # 2539 for the amount of \$45.24.

**MAKE PAYMENTS AND VISIT OUR WEBSITE ABOUT RATE CHANGES.**  
**THIS WILL BE POSTED UNDER NEWS & NOTICES SECTION**  
**WWW.ANDERSONWATERCO.COM**

**WWW.ANDERSONWATERCO.COM**



**SOAH DOCKET NO. 473-20-1117.WS  
PUC DOCKET NO. 48697**

**APPLICATION OF ANDERSON                    §            BEFORE THE STATE OFFICE**  
**WATER COMPANY, INC. FOR                    §                                    OF**  
**AUTHORITY TO CHANGE RATES                §            ADMINISTRATIVE HEARINGS**

**SOAH ORDER NO. 9  
ADOPTING INTERIM RATES**

On September 29, 2020, Staff of the Public Utility Commission of Texas (Commission) and Anderson Water Company, Inc. (Anderson) filed a joint motion for interim rates pursuant to 16 Texas Administrative Code § 24.37. The motion requests that interim rates be set at Anderson's current tariffed rates, as identified in the joint motion. The parties assert that interim rates will benefit both ratepayers and Anderson by resolving the ongoing confusion regarding the rates currently in effect. The parties agree in the motion that the interim rate should not be subject to refund or surcharge once the Commission approves a final rate in this proceeding. Because this a joint motion, and thus agreed, the Administrative Law Judge (ALJ) find that the motion has merit. Accordingly, the interim rates set out below are hereby **ADOPTED**, effective immediately, and shall not be subject to refund or surcharge once the Commission issues a final order in this proceeding:<sup>1</sup>

Monthly base rate including 3,000 gallons:

<b>Meter size</b>	<b>Cost per month</b>
5/8" or 3/4"	\$24
1"	\$34
1 1/2"	\$59
2"	\$89
3"	\$159
4"	\$259

Gallonage Charge:

<b>Volume</b>	<b>Charge per 1,000 gallons</b>
3,001 to unlimited gallons	\$3

601

Miscellaneous Fee:

Item	Fee
Tap fee	\$300
Reconnect fee: Non-payment	\$25
Customer's request	\$25
Transfer fee	\$10
Late charge	\$2
Returned check charge	\$35
Deposit	\$50
Meter test fee	\$25

**SIGNED October 5, 2020.**



DANIEL WISEMAN  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

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<sup>1</sup> In a separate filing, Anderson stated its intent to retain counsel in connection with the issue of interim rates. Should Anderson wish to amend these interim rate terms, the ALJ will entertain such a motion. *See Anderson Response Letter* (Sept. 29, 2020).

**SOAH DOCKET NO. 473-20-1117.WS**

**PUC DOCKET NO. 48697**

2021 MAY -5 AM 11:25

**APPLICATION OF ANDERSON § BEFORE THE STATE OFFICE**  
**WATER COMPANY, INC. FOR § OF**  
**AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS**

**SOAH ORDER NO. 10  
ADOPTING INTERIM RATES**

On March 24, 2021, Staff of the Public Utility Commission of Texas (Commission) (Staff) filed a Joint Motion for Interim Rates (Joint Motion). The Joint Motion states that the parties have reached an agreed resolution of this matter that is reasonable and in the public interest. The Joint Motion requests that, pursuant to 16 Texas Administrative Code (TAC) § 24.37, interim rates—effective with the first full billing period after they are granted—be imposed until the Commission establishes a final rate in this docket.

Based on the agreement of the parties, interim rates are approved as follows:

Minimum Monthly Charge, including 2,500 gallons:

<b>Meter size</b>	<b>Minimum Monthly Charge</b>
5/8"	\$16.67
3/4"	\$25.00
1"	\$41.67
1 1/2"	\$83.33
2"	\$133.33
3"	\$250.00
4"	\$416.67

Volumetric Charge per 1,000 gallons:


<b>Tier</b>	<b>Volumetric Charge (per 1,000 gallons)</b>
2,501 to 10,000 gals.	\$4.85
10,001 to 20,000 gals.	\$5.10
20,001 to 50,000 gals.	\$5.35
50,001 to 100,000 gals.	\$5.60
100,001 to unlimited gals.	\$5.85

Miscellaneous Fees:

Item	Fee
Tap fee	\$1,200
Reconnect fee: Non-payment	\$50
Customer's request	\$25
Transfer fee	\$10
Late charge	\$5
Returned check charge	\$35
Deposit	\$50
Meter test fee	\$25

These above interim rates shall replace the interim rates approved in State Office of Administrative Hearings Order No. 9 and shall be effective with the first full billing period after the entry of this order, and shall be subject to refund or surcharge once the Commission approves a final rate in this proceeding.<sup>1</sup>

**SIGNED May 5, 2021.**

  
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**DANIEL WISEMAN**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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<sup>1</sup> 16 TAC § 24.37(h) and (i).